



BILLING CODE: 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-827]

#### **Certain Cased Pencils from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review, Preliminary Determination of No Shipments, and Rescission of Review, in Part; 2015-2016**

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of certain cased pencils (pencils) from the People's Republic of China (PRC) for the period of review (POR) December 1, 2015, through November 30, 2016. We preliminarily determine that Tianjin Tonghe Stationery Industrial Co. Ltd. (Tianjin Tonghe) and the mandatory respondent, Ningbo Homey Union Co., Ltd. (Ningbo Homey), are not eligible for separate rates and, therefore, remain part of the PRC-wide entity. We also preliminarily determine that the entity comprised of Wah Yuen Stationery Co. Ltd. (Wah Yuen) and Shandong Wah Yuen Stationery Co. Ltd. (Shandong Wah Yuen) (collectively, the Wah Yuen entity) had no shipments during the POR. Finally, we are rescinding the review with respect to Orient International Holding Shanghai Foreign Trade Co., Ltd. (Orient), and Shandong Rongxin Import & Export Co., Ltd. (Rongxin). If these preliminary results are adopted in the final results, the Department will instruct U.S. Customs and Border Protection (CBP) to assess antidumping (AD) duties on all appropriate entries of subject merchandise. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Sergio Balbontin or Denisa Ursu, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6478 or (202) 482-2285, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department published the notice of initiation of this administrative review on February 13, 2017.<sup>1</sup> On March 10, 2017, Wah Yuen submitted a separate rate certification and on March 15, 2017, Ningbo Homey submitted a separate rate application.<sup>2</sup> On March 17, 2017, Orient withdrew its request for an administrative review.<sup>3</sup> On March 30, 2017, we selected Ningbo Homey as the mandatory respondent in this review.<sup>4</sup> On April 3, 2017, we issued Ningbo Homey the AD questionnaire,<sup>5</sup> however, Ningbo Homey did not respond. On April 5, 2017, the petitioner withdrew its request for an administrative review of Rongxin.<sup>6</sup> On May 22, 2017, and July 13, 2017, Wah Yuen submitted supplemental separate rate information.<sup>7</sup>

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<sup>1</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 10457 (February 13, 2017) (*Initiation Notice*).

<sup>2</sup> See Letter from Wah Yuen, “Certain Cased Pencils from the People’s Republic of China: Wah Yuen Stationery Co. Ltd. – Separate Rate Certification,” dated March 10, 2017, and Letter from Ningbo Homey, “Cased Pencils from the People’s Republic of China: Separate Rate Application of Ningbo Homey Union Co., Ltd.,” dated March 15, 2017.

<sup>3</sup> See Letter from Orient, “Orient International Holding Shanghai Foreign Trade Co., Ltd.’s Withdrawal of Request for Review: Administrative Review of the Antidumping Order on Cased Pencils from the People’s Republic of China,” dated March 17, 2017.

<sup>4</sup> See Memorandum from Sergio Balbontin, “Antidumping Duty Administrative Review: Certain Cased Pencils from the People’s Republic of China, Respondent Selection” dated March 30, 2017.

<sup>5</sup> See Letter from the Department, “Request for Information,” dated April 3, 2017.

<sup>6</sup> See Letter from the Dixon Ticonderoga Company (the petitioner), “Certain Cased Pencils from the People’s Republic of China: Partial Withdrawal of Request for Administrative Review,” dated April 5, 2017.

<sup>7</sup> See Letters from Wah Yuen, “Certain Cased Pencils from the People’s Republic of China: Wah Yuen Stationery Co. Ltd. – Separate Rate Certification – Supplemental Response,” submitted May 22, 2017, but erroneously dated March 10, 2017; and “Certain Cased Pencils from the People’s Republic of China: Wah Yuen Stationery Co. Ltd. – Separate Rate Certification – 2nd Supplemental Response,” dated July 13, 2017 (Separate Rate Addendum).

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>8</sup> A list of topics included in the Preliminary Decision Memorandum is included as an appendix to this notice.

The Preliminary Decision Memorandum is a public document and is on file electronically via the Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

#### Scope of the Order

The merchandise subject to the order includes certain cased pencils from the PRC. The subject merchandise is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheading 9609.1010. Although the HTSUS subheading is provided for convenience and customs purposes, the written product description is dispositive. A full description of the scope of the order is contained in the Preliminary Decision Memorandum.

#### Partial Rescission of Review

Pursuant to 19 CFR 351.213(d)(1), the Department will rescind an administrative review, "in whole or in part, if a party that requested a review withdraws the request within 90 days of

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<sup>8</sup> See Memorandum from James Maeder, Senior Director performing the duties of the Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review, Preliminary Determination of No Shipments, and Partial Rescission: Certain Cased Pencils from the People's Republic of China; 2014-2015," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

the date of publication of notice of initiation of the requested review.” The requests for review of Orient and Rongxin were withdrawn within the 90-day limit. Because we received no other requests for review of these companies, we are rescinding the administrative review of Orient and Rongxin.

#### Preliminary Determination of No Shipments

Based on an analysis of CBP information<sup>9</sup> and Wah Yuen’s Separate Rate Addendum, the Department preliminarily determines that the Wah Yuen entity<sup>10</sup> had no shipments during the POR. For additional information regarding this determination, *see* the Preliminary Decision Memorandum.

Consistent with our practice in non-market economy (NME) cases, we are not rescinding this review, in part, but we intend to complete the review with respect to the Wah Yuen entity, and issue appropriate instructions to CBP based on the final results of the review.<sup>11</sup>

#### Methodology

The Department is conducting this review in accordance with sections 751(a)(1)(B) and 751(a)(2)(A) of the Tariff Act of 1930, as amended (the Act). Tianjin Tonghe did not submit a separate rate application and, therefore has not demonstrated its eligibility for a separate rate. Accordingly, we are preliminarily treating Tianjin Tonghe as part of the PRC-wide entity.<sup>12</sup> In

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<sup>9</sup> See Memorandum, “Release of Customs and Border Protection Data,” dated February 13, 2017, and No shipments inquiry for Certain Cased Pencils from the People’s Republic of China exported by Wah Yuen Stationery Co. Ltd. (A-570-827), Message 7195303 (July 14, 2017).

<sup>10</sup> The Department previously determined that Wah Yuen and Shandong Wah Yuen are affiliated and should be treated as a single entity, pursuant to section 771(33) of the Act and 19 CFR 351.401(f). *See Certain Cased Pencils from the People’s Republic of China: Preliminary Results of Antidumping Duty New Shipper Review; 2014–2015*, 81 FR 37573 (June 10, 2016), and accompanying Preliminary Decision Memo at 9; *unchanged in Certain Cased Pencils from the People’s Republic of China: Final Results of Antidumping Duty New Shipper Review; 2014–2015*, 81 FR 74764 (October 27, 2016). In the absence of evidence indicating that the Department should reexamine its determination to collapse these two companies, we are continuing to treat Wah Yuen and Shandong Wah Yuen as a single entity for purposes of this administrative review.

<sup>11</sup> See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65694–95 (October 24, 2011) (*Assessment Notice*).

<sup>12</sup> Although Wah Yuen reported that it is affiliated with Tianjin Tonghe, it also stated that it was not requesting a

addition, because Ningbo Homey did not respond to our AD questionnaire, we preliminarily determine that Ningbo Homey has also not demonstrated its eligibility for a separate rate and we are therefore preliminarily treating Ningbo Homey as part of the PRC-wide entity.

The Department's policy regarding conditional review of the PRC-wide entity applies to this administrative review.<sup>13</sup> Under this policy, the PRC-wide entity will not be under review unless a party specifically requests, or the Department self-initiates, a review of the entity. Because no party requested a review of the PRC-wide entity in this review, the entity is not under review and the entity's current rate, *i.e.*, 114.90 percent,<sup>14</sup> is not subject to change.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

#### Disclosure

Normally, the Department will disclose the calculations used in its analysis to parties in this review within five days of the date of publication of the notice of preliminary results in the *Federal Register*, in accordance with 19 CFR 351.224(b). However, in this case, there are no calculations on this record to disclose.

#### Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the publication of these preliminary result, unless the Secretary alters the time limit. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.<sup>15</sup> Pursuant

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separate rate for Tianjin Tonghe. *See* Separate Rate Addendum at 10.

<sup>13</sup> *See Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963, 65970 (November 4, 2013).

<sup>14</sup> *See Certain Cased Pencils from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Partial Rescission; 2014—2015*, 81 FR 83201 (November 21, 2016), unchanged in *Certain Cased Pencils from the People's Republic of China: Final Results of Antidumping Duty Administrative Review 2014-2015*, 82 FR 24675 (May 30, 2017), and accompanying Issues and Decision Memorandum.

to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC, 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

The Department intends to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act, unless the deadline is extended.

#### Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, AD duties on all appropriate entries covered by this review.<sup>16</sup> The Department intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review. If the Department continues to find Ningbo Homey and Tianjin Tonghe as part of the PRC-wide entity in the final results, the Department will instruct CBP to liquidate POR entries of

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<sup>15</sup> See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

<sup>16</sup> See 19 CFR 351.212(b).

subject merchandise from these companies at the PRC-wide rate of 114.90 percent. Moreover, if the Department continues to make a no-shipment finding for Wah Yuen in the final results, any suspended entries of subject merchandise from Wah Yuen will also be liquidated at the PRC-wide rate.<sup>17</sup> Finally, with respect to entries from Orient and Rongxin, antidumping duties shall be assessed at rates equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i).

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) for any companies listed above that have a separate rate, the cash deposit rate will be that established in the final results of review (except, if the rate is zero or *de minimis*, then zero cash deposit will be required); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate; (3) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be that for the PRC-wide entity; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

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<sup>17</sup> See *Assessment Notice*.

### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of AD duties occurred and the subsequent assessment of double AD duties.

### Notification to Interested Parties

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

Gary Taverman  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance

Dated: August 31, 2017.

Appendix



## List of Topics Discussed in the Preliminary Decision Memorandum

1. Summary
2. Background
3. Scope of the Order
4. Discussion of the Methodology
  - a. Partial Rescission of Review
  - b. Preliminary Determination of No Shipments
  - c. NME Country Status
  - d. Separate Rates
5. Recommendation

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